

MEMO

TO: Governor Mitch Daniels
FROM: Earl Goode, Deputy Chief of Staff
RE: Executive Inter-Agency Review Team – Interim Status Report
DATE: June 13, 2006
CC: Harry Gonso, Karl Browning, Charles Schalliol, Nate Feltman, Carrie Henderson, Deb Minott, Scott Tittle, Betsy Burdick

Governor,

Thank you for providing the Executive Inter-Agency Review Team the opportunity yesterday to report to you directly on our progress to date regarding the review of the Indiana Family and Social Services Administration's (FSSA) RFP 6-58, which proposes to modernize Indiana's public assistance eligibility determination services. It is my pleasure to provide you with this brief summary of yesterday's interim status report.

Over the last three weeks, the Review Team has been actively engaged in gathering information on the State's current public assistance eligibility determination system to better understand the system's reported problems and FSSA's conclusions of the need for change, and to review the submitted proposals. We have met five times (each meeting lasting between 2-4 hours) and visited three county welfare offices (two urban and one rural). The Review Team has also met with senior FSSA staff and field employees at all levels. We have contacted, and will continue to be in touch with, other states that have engaged in similar modernization projects.

Based on our efforts to date, we concur with FSSA's conclusion that the status quo is simply not an option. As we learned from our deliberations, our record on getting people from welfare to work is one of the worst in the nation, we have extremely high error rates in eligibility determinations, and we make it incredibly inconvenient for our clients to do business with us. For these reasons, the Review Team confirms FSSA's decision to reform and modernize the system. In addition, while we conceptually embrace the strategic solutions that have been presented, we have identified some tactical issues that we wish to further examine and certain precautions that we believe the State must consider. Therefore, we will need to continue our due diligence to better understand these issues. Accordingly, we are not ready at this point to make a recommendation to you regarding a specific agreement with a vendor.

As we informed you at the conclusion of yesterday's meeting, the Review Team intends to move forward with our due diligence and other appropriate activities as provided for in IC 5-23. When we have completed our work, we will provide you with a successfully negotiated proposed agreement for your further review or an alternate recommendation.



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

M E M O

TO: E. Mitchell Roob, Jr., Secretary, Indiana FSSA
Jim Robertson, Director, Division of Family Resources

FROM: ^{HM} Harry L. Gonso, Chief of Staff, Governor Mitch Daniels
Earl Goode, Commissioner, Indiana DOA

RE: Executive Negotiating Council for Request for Proposal 6-58

DATE: May 18, 2006

Governor Mitch Daniels hereby appoints a special council regarding Request for Proposal 6-58, "Eligibility Determination Services" (RFP). Specifically, this council will work with your staff and the Indiana Department of Administration with respect to existing and ongoing efforts to negotiate the RFP's best and final offers and to bring forward a recommendation directly to the Governor as to whether the transaction should proceed, with whom and on what terms. The council shall be referred to as the "Executive Negotiating Council" and shall fulfill the roles and obligations of the "Governmental Body" under IC 5-22-2-13 and IC 5-23 for RFP 6-58. The Governor, or his designee, shall fulfill the roles and obligations of the "Board" under IC 5-23-2-3 for RFP 6-58.

The Executive Negotiating Council shall be chaired by Earl Goode, representing the Governor's Office. The council membership includes, but is not limited to:

Earl Goode (Chair)	Governor's Office; Commissioner, Indiana Department of Administration
Nate Feltman	Chief of Staff and General Counsel, Indiana Economic Development Commission
Karl Browning	Chief Information Officer Indiana Office of Technology
Chuck Schalliol	Office of Management and Budget Director

Should you have any questions regarding the contents of the Memorandum, please do not hesitate to contact us.



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Mitchell E. Daniels, Jr.
Governor

MEMORANDUM

TO: E. Mitchell Roob, Jr., Secretary
Indiana Family and Social Services
Jim Robertson, Director
Division of Family Resources

FROM: Mitchell E. Daniels, Jr.
Governor

DATE: May 22, 2006

RE: Executive Negotiating Committee for Request for Proposal 6-58

Harry Gonso of my staff recently notified you regarding a committee I appointed regarding Request for Proposal 6-58, "Eligibility Determination Services" (RFP) (see his Memorandum to you dated May 18, 2006). The purpose of this Memorandum is to finalize the membership of that committee and provide it with a more specific charge.

The committee shall be referred to as the "Executive Negotiating Committee" (Committee). The Committee will work with your staff and the Indiana Department of Administration with respect to existing and ongoing efforts to complete the RFP negotiation process. Specifically, the Committee shall bring a recommendation to me by June 2, 2006 as to whether or not it is in the best interest of the State of Indiana to pursue a contract with a private vendor to modernize Indiana's eligibility determination process regarding Food Stamps, TANF, Medicaid and related public assistance services. The overarching policy vision of Indiana's eligibility determination transformation is to assist and support welfare recipients towards social and economic self-sufficiency. Additionally, Indiana's policy initiative aims to promote the development of policies and procedures that underscore the importance of work, accuracy, and caseload integrity across all areas of public assistance.

Pending the outcome of that recommendation, the Committee will then work with your staff and the Indiana Department of Administration to negotiate the RFP's best and final offers. At the end of that process, the Committee may bring a recommendation to me that they determine to be the most advantageous to the State. The Committee should report whether the State has received a proposal that:

- Meets the goals of improved welfare policies and procedures as described above,
- Meets the State's request that State employees who go to work for the selected vendor receive the same or better base salary and other comparable benefits,
- Is in the best interests of Indiana's taxpayers, and
- Ultimately provides short-term and long-term economic benefits to the State.

The Committee shall be chaired by Earl Goode, representing my office. The committee membership includes, but is not limited to, the following individuals or their designees:

Earl Goode (Chair)	Deputy Chief of Staff Governor's Office
Carrie Henderson	Commissioner Indiana Department of Administration
Nate Feltman	Chief of Staff and General Counsel Indiana Economic Development Commission
Karl Browning	Chief Information Officer Indiana Office of Technology
Chuck Schalliol	Director Office of Management and Budget
Debra Minot	Director State Personnel Department

The Committee shall fulfill the roles and obligations of the "Governmental Body" under IC 5-22-2-13 and IC 5-23 for RFP 6-58. I, or my designee(s), will fulfill the roles and obligations of the "Board" under IC 5-23-2-3 for RFP 6-58.

Should you have any questions regarding the contents of this Memorandum, please do not hesitate to contact Harry Gonso of my staff.